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MCC Releases Country Indicator Data Measuring Policy Performance

Washington, D.C. —The U.S. Government's Millennium Challenge Corporation (MCC) released country-by-country indicator data today measuring the policy performance of 84 developing countries that are candidates for grant assistance from MCC in fiscal year 2011. The country data will help inform the eligibility decisions of the MCC Board of Directors at its quarterly meeting, scheduled for December 15, 2010.

The indicator data, annually compiled by MCC and often referred to as the "MCC scorecard," includes information about how low income and lower-middle income countries have performed on 17 independent, third-party policy indicators in three categories—Ruling Justly, Economic Freedom, and Investing in People.

Countries compete against their income peer group on these indicators, which assess the degree to which countries have in place a policy framework that supports poverty reduction and sustainable economic growth. Country performance in these policy areas is one of the key criteria the Board considers in its annual country selection process. The Board also considers MCC's ability to impact growth and poverty reduction and the availability of funding.

The countries selected as eligible for MCC compact assistance by the Board of Directors have the opportunity to submit a proposal for a five-year grant program to reduce poverty through sustainable economic growth. The Board also may select countries for eligibility for MCC's threshold program, a grant program that supports targeted policy reforms to help participating countries qualify for compact eligibility.

MCC's selection process identifies countries that demonstrate good governance and pro-growth policies. The process itself has created incentives for reform in countries seeking MCC eligibility. President Obama's recently-announced Global Development Policy embraces this core MCC premise—that investments are best sustained where and when good governance conditions exist. The policy commits to being more selective, focusing investments where they can have maximum impact, and seeks partner countries that embrace high standards of transparency, good governance, and

MCC's Board expects to make FY2011 country eligibility decisions at its December 15, 2010, meeting. MCC will convene a public outreach meeting following the Board's eligibility decisions.

To view the country indicator data for fiscal year 2011, <u>click here.</u> Information for each country is also available in Spanish, French, and Portuguese.

For more information about the selection process and the indicators used to measure policy performance, <u>please click here.</u>

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Millennium Challenge Corporation, a U.S. Government agency designed to work with developing countries, is based on the principle that aid is most effective when it reinforces sound political, economic, and social policies that promote poverty reduction through economic growth. For more information, please visit www.mcc.gov.

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